

# Urges U. S. Free Citizens Abroad Of Income Tax

Trade Council Says Americans Suffer Disadvantage in Competition With Residents of Other Nations

## Farrell for Expansion

Asserts Producers Must Develop New Outlets for Goods in Foreign Fields

Exemption of American citizens living abroad from the burden of United States income and excess profits taxation was urged strongly yesterday by the National Foreign Trade Council at its seventh annual meeting, at the Biltmore Hotel.

Prior to yesterday's meeting it had been rumored that when the merchant marine act was brought up for consideration, a lively debate would result because of the recent declaration by President Wilson that he would refuse to enforce certain of its provisions relating to foreign trade treaties.

Yesterday's session was executive. O. K. Davis, secretary to the council, announced at the conclusion of the meeting that, while the Jones act had been considered, no definite action would be taken until after the appointment of the commissioners, who will comprise the United States Shipping Board.

It was the opinion of members of the council that, in the cases of American citizens resident abroad, income and excess profits taxes should be abolished in order to place these citizens on a basis of competitive equality with the nationals of other foreign countries.

## Investigation Ordered

The council ordered a thorough investigation of this matter and it was decided to cooperate in every way possible with the American chambers of commerce in Rio, Sao Paulo, Buenos Ayres, Mexico City, Barcelona, Shanghai and London, all of which have been actively advocating relief from undesirable taxation.

H. C. Lewis, a member of the council and head of the National Paper and Type Company, was one of the leading advocates in urging the abolition of taxation of American citizens abroad.

"American citizens living and doing business abroad are now subject to a tremendous disadvantage in competition with the citizens of other nations," said Mr. Lewis. "A British subject in Mexico, for instance, pays no tax to the British government on his business or property in Mexico. The same thing applies to the Frenchman, the Japanese or the citizen of any other foreign country living in Mexico."

"An American citizen resident in a foreign country must pay income taxes to the United States on his whole taxable income. To be sure, he can credit his United States taxes with whatever income taxes he pays to the foreign country. If, however, the foreign tax is less than the United States tax, the American is forced to pay the difference between the two to the United States."

## Farrell Prods Producers

James A. Farrell, president of the United States Steel Corporation, was chairman of the meeting and in his opening address made an urgent appeal for a more active interest on the part of American producers generally in foreign trade.

"The foreign trade in the United States, in common with domestic business," said Mr. Farrell, "is suffering from the general contraction of credit. In many cases American exporters have been unable to finance an extension of their existing trade; in other cases they have been unable to grant to foreign customers the credits necessary to insure continued foreign purchases."

"The situation has been aggravated by the low purchasing power of many European nations," continued the chairman. "Frequent disturbances in railway transportation facilities also have proved injurious."

## Leaders in Commerce Present

The Foreign Trade Council, an organization of about seventy-five of the leaders in foreign trade interests from all parts of the country, representing commercial, industrial, financial and transportation business. It is engaged in the study of foreign trade problems and the promotion of foreign trade as a national service.

Among those present at yesterday's meeting, besides Mr. Farrell, were: E. A. S. Clarke, president of the Consolidated Steel Corporation; Frank O. Wetmore, president of the First National Bank of Chicago; Charles A. Hirsch, president of the Fifth Third National Bank of Cincinnati; Frederick J. Coster, president of the California Barrel Company; J. G. Culbertson, president of the Wichita Motors Company; E. G. Miner, of Rochester; P. A. S. Franklin, president of the International Mercantile Marine Company; D. Y. L. Lippert, president of the Henderson Cotton Mills; John S. Law-

# William Howard Taft Discusses Cox's Attack on Press

By William Howard Taft

Mr. Cox is a journalist and something of an expert in the distribution of news. When, therefore, he attacks the Associated Press for failing to give to the American public a fair account of his speeches, the crowds and the other phases of his long speaking tour, his testimony would be weighty but for the fact that he is a deeply interested witness. When one is running for the Presidency his judgment upon matters connected with the campaign is not very impartial. Men sensible and judicious under other circumstances will reach unusual conclusions as Presidential candidates.

Mr. Cox's charges against the Associated Press and his indictment of Mr. Hays and the Republican newspapers for "a conspiracy of silence" are not important intrinsically, but only as symptoms of the political ill health of Mr. Cox. He is evidently not satisfied with the trend of public opinion as evidenced by the press. His Western trip has not influenced the country as he hoped. This is due, first, to the necessity of keeping the whole of the Presidential campaign, and, second, to the fact that the majority of the American electorate have made up their minds to get rid of the Democratic Administration.

Mr. Cox has been most contemptuous of a front-porch campaign. He has preferred, he says, to go to the people in his homes. Exercising this preference, he must be content with its usual limitations. He seeks by personal touch and address to influence large masses of people. He cannot at the same time keep the whole of the American people interested in his progress and what he says. His first meetings were described in great detail and his speeches were reported in full. As he went on, the reports grew briefer and less detailed. He wishes to sum up before every audience the reasons for voting for him. Few men can vary greatly from day to day the substance or even the form and vocabulary of the arguments in their own behalf. The first principle of newspaper reporting requires a minimizing of the space given to such repetitions. Unless there is something epochal in his reception, unless the demonstration is exceptional, the Associated Press cannot be expected continuously to describe the audience or their approval of what is said; because every Presidential candidate can draw crowds of his friends and invoke approval from them. The normal benefit with which the candidate must be satisfied from such impartial professional news-gatherers is the local effect of his personality and the influence of his words in the city and state where he speaks. He asks too much from an impartial professional news-gatherer when he insists that the details of meetings lacking in special significance

should be repeated on every day of his occurrence. Still more unreasonable is he in demanding that his opponents engage in continued answers to his well-worn attacks and charges, with the result of giving them further currency. But more than this is true in Mr. Cox's case. He is riding a jaded horse. He has a mount which has reached the end of the trail. He cannot win with the Wilson Administration and he cannot win without it. He takes up his predecessor's cause *cum oere*. He presses the League of Nations on his audiences and is confronted by the fact that Mr. Wilson deliberately rejected the only possible league the United States can enter. He is driven to the maintenance of Article X as a sine qua non of the league, and this defeats any league. He cannot escape the burden of Mr. Wilson's personality, which has not only tired the country, but his own party as well. He brings forth a ridiculous *mus* on the subject of campaign contributions. One practical tendency of this agitation is to dry up much-needed sources of supply from wealthy Democrats desiring of his success and gladly seizing an excuse to avoid spending money in a lost cause.

Advantages of the front-porch campaign on which Mr. Harding insisted are becoming apparent, as they were in the Harrison and the McKinley campaigns and in the struggle of 1916. It offers Mr. Harding the opportunity to give out something new and short each day which will secure publicity for its news value. It enables him to prepare a careful discussion of a particular issue to have it put as a full and to deliver it to a great audience so large and whose reception is so enthusiastic as to call for legitimate comment. In a few trips and speeches of this kind he can cover all the ground necessary and say exactly what he intends to say, and in proper form. Mr. Harding has well improved these opportunities, and the dignity, force and absence of demagogic appeal and impossible promise in what he says are in illuminating contrast to the barnstorming and reckless attacks and bids to which such a tour as Mr. Cox's naturally tempts him.

Of course, Mr. Harding loses the benefit of the local touch in many states, which with his winning manner and happy address might be considerable. But it is, after all, doubtful how much of a loss this is. From Mr. Cox's complaints we may infer it is not, in his case, so great as he thought it would be. He has not been realized, anticipated that the effect of his trip would be so threatening that it would drive Mr. Harding into "trailing him," as the phrase is. This hope has not been realized. The only trailing which is being done is by Mr. Cox.

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# National City Bank Optimistic Despite Decline in Prices

Expresses Opinion There Is Too Much Employment in Sight and Crops Are Too Big for Depression

Despite falling commodity prices and general unsettlement in the commercial and industrial world, the National City Bank of New York, in its October review of economic conditions, out-to-day, sounds a note of confidence in the fundamental basis of business, and expresses the opinion that there is too much employment in sight in the United States and too big a crop in the barns for a prolonged period of depression.

"There is good reason to think," observes the bank, "that in the industries that have been most disturbed the price reductions have gone about as far as they will in the near future. Other industries must expect to contribute their share in the general readjustment, and the more readily they do so the better all around. These price reductions have not yet been reflected in retail prices everywhere, but that, too, is a development on the way, and which the enterprising, public-spirited merchant will want to hasten."

Discussing the better tone in the credit situation, as well as the general banking situation, the City Bank says: "Some people say the increase of loans last year caused the rise of prices and some say it was made necessary by the rise in prices, but it would be a more accurate statement to say that the increase of loans financed and made possible the rise of prices. If credit had not been granted so freely there would have been less competition for goods, material and labor; less speculation in commodities, and possibly some temporary curtailment of industry in which prices were finding their level, just as there has been this year. It is impossible to interrupt a rise of prices without causing some unsettlement in business. When prices are rising people overbuy, anticipate future wants, store up raw materials, hire labor away from each other, build extensions, etc., and when prices begin to fall they abstain from buying, deplete their stocks, make goods only on order and cut down expenses. The former is a more exhilarating state of business than the latter, but sensible people know that prices cannot be always advancing.

"The persons who are claiming that the curtailment of credit will interfere with production should take notice that the great rise of loans last year did not increase production. A year ago the makers of goods were not soliciting orders; they had their traveling men at home, and their activities in selling goods were confined to apportioning their products among clamorous buyers. The effect of the abundance of credit was to enable buyers to compete freely with each other for material and goods. Instead of increasing production, it drove up prices. Production can go on as well on one level of prices as another when conditions are settled."

## Predicts Easier Money Market by November

For the first time in two years, according to Maurice L. Farrell, of F. S. Smith & Co., it is possible to look ahead and predict with some degree of confidence an easier money market. Mr. Farrell, in a discussion of the situation in the current number of The Acceptance Bulletin, of the American Acceptance Council, declares that it may be said with some measure of assurance that by the middle of November we shall at least have arrived at the crossroads.

Five reasons are given to explain the more favorable outlook:

1. Some let-up in extraordinary government expenditures, with the promise of an even more radical curtailment during the coming year.

2. Substantial decrease in general business activities, accompanied by a sharp decline in prices of many raw materials.

3. Reduction of profits along the line, from the employers themselves down to their laborers and office boys.

4. More speedy liquidation of staple products than has been customary during the last few years, when it has been the fashion to buy commodities not for the purpose of putting them into consumption in regular course, but rather to hold for higher prices. In other words, there isn't going to be so much "frozen credit" represented by bank loans against commodities held and carried indefinitely for speculative purposes.

5. Relief from the extreme transportation congestion which prevented prompt movement of goods from the sources of production to the centers of consumption.

# Consumer Soon To Feel Effect Of Price Cutting

(Continued from page one)

The unusually high prices of sugar, the witness said, were due to competition, speculation and increased operating costs. With speculation eliminated he thought it might be possible to sell sugar to the consumer at 15 1/2 cents a pound.

Between the time when sugar sold for six and one-half cents a pound and the date it reached 22 1/2 cents, Mr. Atkins said, "fortunes were won or lost overnight" by the speculators who went into the market to "clean up." He said one estate lost \$3,000,000 by a drop in the market.

The witness said the American producers in Cuba attempted to keep down the price of sugar, but were unable to do so because of the bidding by English and Canadian buyers.

## Hughes to Plead Newberry Case in Supreme Court

Colonel Warren, Friend of Senator, Says Ex-Justice Has Been Retained

Colonel Charles B. Warren, of Detroit, a close personal friend of Senator Truman H. Newberry, of Michigan, said last night at the Biltmore that Charles E. Hughes, former United States Supreme Court Justice, would represent Senator Newberry next January when his case comes up on appeal in the United States Supreme Court. The jury which convicted Senator Newberry held that he had knowledge of the expenditure of a sum in excess of the amount permitted by statute in his election to the Senate, and in excess of the amount he made affidavit to spending. The court instructed the jury that the question of corruption was not involved.

Martin W. Littleton, of New York, represented Senator Newberry in the prolonged trial in the Michigan court. His main contention was that the Federal government did not have jurisdiction in a purely state primary, such as the one in which Senator Newberry contested with Henry Ford for the Republican nomination. It is understood that the constitutionality of the action by which Senator Newberry was indicted, guilty will be attacked by Judge Hughes. Senator Newberry defeated Ford by about 8,000 votes in the most bitterly fought campaign in the history of Michigan.

## 4,000 Vienna Doctors Strike

VIENNA, Sept. 30.—Four thousand doctors, who have been treating patients under the auspices of sick benefit associations have gone on strike. The physicians are refusing to make visits except for the regular fees of their private practice.

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There has been a marked falling off in the demand for sugar and the steady decline in prices has resulted in a heavy loss to financial interests, according to sugar experts here yesterday. Some brokers said the bottom had dropped out of the market. One refining company is offering the product at 13 1/2 cents and it is predicted that the prices will go still lower.

There are at the ports in Cuba, according to one of the experts, 340,000 tons awaiting shipment. In the interim, ready for shipment, it is estimated there are between 50,000 and 100,000 tons. This is unsold sugar.

## Wholesale Shirt Prices Reduced by Troy Firm

TROY, N. Y., Sept. 30.—Earl & Wilson, one of the largest collar and shirt manufacturers in the country, have announced reductions in the wholesale prices of shirts. The reductions cover virtually every grade of shirt and range from \$1.50 to \$2.4 a dozen.

About a week ago this company announced a reduction in the prices of collars. Other prominent shirt and collar manufacturers expressed the belief that no reduction in their products could be expected at this time.

ST. LOUIS, Sept. 30.—Wheat futures dropped 9 cts. in this market today. December closing at 21 1/2. Cash wheat declined 7 cents, ending at 23 1/2, and December corn fell 6 cents, finishing at 22 1/2 cents. Slow buying, due to uncertainty in the grain market, was ascribed as the cause of the declines.

OTTAWA, Sept. 30.—Further declines in the cost of living throughout Canada

# Willis-Overland Plant Shut by Lack of Orders

Company Considers Three-Day Basis or Non-Operation Until Normal Conditions Return

TOLEDO, Ohio, Sept. 30.—Toledo plants of the Willis-Overland Company were closed yesterday and today, following the laying off of 4,500 men and women workers. Fewer than 2,000 remain to operate the plants the rest of the week when they reopen to-morrow. Normally there are between 12,000 and 14,000 employed.

Those released yesterday were instructed to report Monday morning, by which time officials say it will be known whether the plants will operate on a three-day-a-week basis or remain closed until conditions in the automobile industry return to normal.

Falling off in the demand for automobiles which has affected motor car companies in general throughout the United States is assigned as the cause of the drastic curtailment of production.

COLUMBUS, Ohio, Sept. 30.—Nine hundred of the 1,600 employees of the Timken Roller Bearing Company's plant here were laid off this morning. Until further notice, the plant will not



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